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NRC Cites Concerns on China Treaty

Uncertainties Seen About Arms' Spread

By Joanne Omang
Washington Post Staff Writer

The Nuclear Regulatory Commission is concerned that the Reagan administration's proposed nuclear cooperation agreement with China contains elements that could produce "future misunderstandings" over U.S. efforts to halt the spread of nuclear weapons, Sen. William Proxmire (D-Wis.) said yesterday.

Proxmire, a leading critic of the pact, released the text of an Oct. 2 letter from NRC Chairman Nunzio J. Palladino responding to questions about the pact's clarity and the agreement's reliance on verbal assurances, rather than written language, regarding Peking's commitment to curbing nuclear proliferation.

The NRC letter is almost certain to increase controversy over the pact, which was the highlight of President Reagan's April 1984 trip to China but was so widely criticized it was never submitted to Congress. China had for years advocated the spread of nuclear weapons worldwide, and intelligence reports last year said Chinese technicians had been spotted at the Pakistan site of an alleged secret nu-

clear weapons development complex.

After several further conferences with Chinese officials, the administration sent the pact to Congress during the July visit to Washington of President Li Xiannian, saying new assurances from the Chinese had resolved any problems. But the NRC was reported at the time to have expressed continuing misgivings in a classified document.

"The commission is concerned with the assurances provided by the PRC [People's Republic of China]. As presently constituted, they could lead to future misunderstandings," Palladino wrote Proxmire. "Because these concerns involve classified information, we are unable to discuss them in detail in this response."

He also said the commission "would have preferred that the agreement contain a clear statement" of U.S. rights to veto the reprocessing or enrichment of any nuclear material it supplies or that is used in U.S.-supplied reactors. Those processes can lead to weapons production. "Such a statement could eliminate the potential for future misunderstanding," the letter said.

A provision elevating the pact over any internal law "could be read as reducing the flexibility of the U.S., including that of Congress," in trying to modify nuclear relations with China in the future, Palladino continued.

Asked about China's alleged aid to Pakistan and other nations in developing nuclear weapons, Palladino said the commission "cannot comment on this question in an unclassified fashion."

Proxmire said, "What they're saying is, 'Look before you leap' . . . signaling to us that this agreement may have some serious pitfalls. I hope those signals will prompt Congress to review this agreement intensively."

The proposal would set rules for U.S. industry bids for a share of China's nuclear power future, which could involve \$6 billion or more in foreign contracts. The industry has

not sold a domestic reactor since 1978 and is eager for a chance to compete in China with European firms already at work.

Administration officials argue that the language of the proposed pact is clear on U.S. rights and assures future U.S. flexibility. They have said China's verbal assurances are firm and binding.

The Senate Foreign Relations Committee has scheduled a closed hearing on the agreement Tuesday and a public one Wednesday. The House Foreign Affairs Committee held a private hearing this week.